

Message Text

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PAGE 01 STATE 168171
ORIGIN XMB-04

INFO OCT-01 EA-10 ISO-00 EB-08 AID-05 TRSE-00 COME-00
OMB-01 SP-02 PA-01 L-03 CIAE-00 INR-10 NSAE-00
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XMB

DRAFTED BY XMB: G C HEIDRICH:TAS
APPROVED BY EA/TIMBS:MEASTON
XMB: C E HOUSTON
EB/IFD/ODF:FVNASH
-----011686 031706Z /47
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FM SECSTATE WASHDC
TO AMEMBASSY SINGAPORE PRIORITY

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E.O. 11652: N/A

TAGS: EAIR, EFIN, ETRD, SN

SUBJECT: EXIM AIRCRAFT POLICY AND SIA PURCHASE

REFERENCE: SINGAPORE 2855

1. MR. TAN'S BUSINESS TIMES ARTICLE IS INACCURATE.
EXIM'S BASIC PURPOSE IS TO FACILITATE THE EXPORT OF U.S.
GOODS AND SERVICES. WHILE EXIM'S FINANCIAL SUPPORT
CONTRIBUTES TO THE FOREIGN AND ECONOMIC POLICY OBJEC-
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PAGE 02 STATE 168171

TIVES OF THE U.S., THE BANK IS NOT A TOOL OF U.S.
FOREIGN POLICY.

2. EXIM'S COMMERCIAL AIRCRAFT FINANCING POLICY IS
COMPLEX AND HAS CREATED CONFUSION. EXIM DOES NOT
REPEAT NOT LINK LANDING RIGHTS OR OTHER CIVAIR FACTORS
IN THE FORMULATION OF ITS AIRCRAFT POLICY OR IN THE
CONSIDERATION OF INDIVIDUAL AIRCRAFT EXPORT TRANS-
ACTIONS.

3. BRIEFLY STATED EXIM'S POLICY IS TO PROVIDE DIRECT CREDITS FOR SHORT AND MEDIUM RANGE AIRCRAFT - (SUCH AS 727 AND DC-9) AS WELL AS LONG RANGE AIRCRAFT FLYING ROUTES THAT CAN BE SERVICED BY COMPETITIVE (PRIMARILY A-300 AIRBUS) AIRCRAFT. LONG RANGE WIDE-BODIED

AIRCRAFT (SUCH AS 747 AND DC 10-30/40) FLYING LONG RANGE ROUTES (TRANSPACIFIC FOR INSTANCES) ARE SUPPORTED WITH FINANCIAL GUARANTEES.

4. EXIM'S POLICY HAS FOCUSED ON COMPETITIVE AIRCRAFT NOT REPEAT NOT COMPETITIVE CARRIERS. ON JUNE 19 EXIM RECEIVED A LETTER REQUEST FROM BOEING ON BEHALF OF SIA FOR THE HIGHLY PUBLICIZED DOLLARS 1 BILLION TRANSACTION. EXIM FIRST BECAME AWARE OF THE TRANSACTION IN EARLY MAY FROM PRESS REPORTS. ON JUNE 29 EXIM INFORMED BOEING THAT IT DESIRED TO DEAL DIRECTLY WITH SIA. EXIM IS READY AND WILLING TO CONSIDER FINANCIAL ASSISTANCE TO SIA BUT NEEDS TO ANALYZE THE TRANSACTION IN ORDER TO APPLY ITS AIRCRAFT POLICY AND THEREBY INSURE THAT THE TRANSACTION RECEIVES THE NECESSARY NAC AND U.S. CONGRESSIONAL APPROVALS. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRCRAFT
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: G C HEIDRICH:TAS
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Format: TEL
From: STATE
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ISecure: 1
Legacy Key: link1978/newtext/t19780799/aaaadfid.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Review Exemptions: n/a
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